United Way Network-Wide Strategy

Annual CLC Update
May 2016
Invitation to Our Network-Wide Strategy

We love United Way because our formula is tried and true—and it works: We bring whole communities together to apply comprehensive local solutions to the most important problems.

At the same time, we recognize the world of philanthropy has changed a lot -- and we need to adjust to these new realities to continue to lead in the way we have for more than 100 years.

The question we have to ask ourselves is this: How does United Way change so that we're even more effective while keeping all the key ingredients that make United Way special?

This document is designed to help you answer that question and plan for the future. It is developed from ideas shared by the network and our stakeholders. It seeks to accomplish two things:

1) Clarify our unique positioning as a foundation for our strategy and communications

2) Focus us on key actions to pursue collectively and locally to grow our impact and scale

Perhaps the biggest question we face is whether we can act as one network. Can we embrace the localness that is our core strength while recognizing that our fates are tied?

Are you in?
About This Document

• This is an **internal document**
  - It is intended to help drive focus and alignment of Local United Way strategic plans
  - Some, but not all, of the content will be relevant to external stakeholders
  - It is intended as a reading document – not a visual presentation

• This is a **dynamic document**
  - It provides focus for today and will evolve under the guidance of the Network Strategy Leadership Council as we make progress and the environment continues to change
  - Keeping to the discipline of a single strategy helps focus us on execution of key actions and not start from scratch when we connect as a network

• We are powered by both **optimism and a sense of urgency**
  - We have one-of-a-kind relevance and assets. Yet, our business model has been disrupted. Executing our strategy won’t be easy and will require a high level of focus and network alignment/collaboration. That alignment/collaboration has already begun.
Network-Wide Strategy – One Slide Executive Summary

To power our efforts to create a world where everyone has the opportunity to live a better life, the Network-Wide Strategy articulates the Unique Positioning and Key Actions (Bold Plays) that will drive our success.

Unique Positioning

✓ We develop integrated solutions that improve lives AND communities
✓ We focus on what's most needed and what works locally
✓ We get leaders and organizations from all sectors to work together
✓ We invite millions of people to be part of the change and amplify the impact

Five Bold Plays

| Bold Play 1 | Execute on a Clear Business Model | Shift from “One great product marketed the same way to everyone” to “The right product to the right donor at the right time in the right way” |
| Bold Play 2 | Create Great Individual Experiences | Engage people in ways they love in our new digital world: personal, online and in-person, year-round, and over a lifetime |
| Bold Play 3 | Reignite Strategic Corporate Relationships | Re-establish ourselves as the Partner-of-Choice for companies by delivering unparalleled employee engagement, community impact, and business value via strategic agreements and network-wide account management |
| Bold Play 4 | Drive Transformational Giving | Build a network of high-net-worth ambassadors, including a $10 Million Giving Society, who accelerate our impact and innovation worldwide |
| Bold Play 5 | Work Together “As One” Network | Harness the power of scale to raise our operational performance and speak as one brand with one voice |
Call to Action: Align to the Network-Wide Strategy

1. Download and discuss the Network-Wide Strategy with Board/Staff

2. Align your local Strategy to the Network-Wide Strategy
   - *Next 3-6 Months:* Link your local strategy in three ways:
     - Communicate your impact aligned to the Worldwide Impact Agenda (slide 8)
     - Incorporate United Way’s Unique Positioning in your strategy (slide 9)
     - Develop locally aligned Key Actions based on your local situation (slides 11-15)

3. Get started now through “Quick Start” 2016 Actions
   - **Bold Play 1:** Talk to your donors in the workplace to determine their interests (by segment) and map back to your impact products/causes
   - **Bold Play 3:** Create 2-3 local corporate agreements in 2016
   - **Bold Play 4:** Identify 10 potential $1m - $10m donors in your market
   - **Bold Play 5:** Complete the United Way Business Model Guided Toolbox and identify specific needs that will drive your interactions with UWW and the broader UW network

4. Access UWW’s tools and resources for LUWs of all sizes as needed
   - Visit [online.unitedway.org/strategy](http://online.unitedway.org/strategy)
   - Small LUWs: Connect with peers and access resources: [bit.ly/smallUW](http://bit.ly/smallUW)
Positioning
Vision and Mission

**Vision:**

We envision a world where all individuals and families achieve their human potential through education, financial stability, and healthy lives.

**Mission:**

To improve lives by mobilizing the caring power of communities around the world to advance the common good.

**Elevator speech (sample):**

A hungry kid in a house with unemployed parents has a hard time learning. Big challenges aren’t solved one nonprofit at a time. The key to social change is how we work together.

The world is full of people and organizations dedicated to helping others. But thousands of individual efforts don’t necessarily add up to widespread progress.

That’s why United Way’s approach is so important and so effective. We are on-the-ground in communities, working with nonprofits, business, and government to lead collective action that drives results. We invite everyone to be part of this change.

When we Live United, we don’t just change lives. We change what’s possible.
Worldwide Impact Agenda: The Change We Seek to Create

**Goal:** CREATE THE OPPORTUNITY FOR A BETTER LIFE FOR ALL

**How:** Build Stronger Communities Where People Work Together (Live United)

### WORLDWIDE SIGNATURE IMPACT INITIATIVES

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- **CHILDHOOD SUCCESS**: Children enter school ready & are successful in primary school
- **YOUTH SUCCESS**: Youth gain the knowledge, skills, and credentials to obtain family sustaining employment
- **ECONOMIC MOBILITY**: Individuals/families improve their socio-economic status
- **ACCESS TO HEALTH**: Individuals/families have access to healthcare and improve their health

United Way harnesses the power of local communities to set goals and bring these priorities to life

*Goals above are from recent network effort to establish a Results Framework that aggregates specific impact goals that a majority of markets collect today and position us to set/refresh national/global goals*
Four Unique Differentiators of Our Impact Approach

How we build **Stronger Communities**:

1. We develop **integrated solutions** that improve lives AND communities
   - We understand the complexity of social issues and deliver sustainable results

2. We focus on what’s most needed and **what works locally**
   - We are on-the-ground in 1,800 communities in 40+ countries with local expertise

3. We get leaders and organizations from **all sectors to work together**
   - We engage nonprofit, business & government leaders on shared community goals

4. We **invite millions of people** to be part of the change and amplify the impact
   - We democratize philanthropy by engaging all people under a powerful brand

United Way solves problems no one organization can solve alone
Actions
Bold Play 1: Execute a Clear Business Model

**Challenge We Face**
Successful impact work not always driving revenue growth

**Key Insights/Drivers**

- Our new business model is an evolution not a revolution
  - It articulates our most effective paths/products for achieving impact and driving revenue/RUM
  - The workplace campaign is a key part of our future as we build additional donor experiences
  - Setting clear impact goals and communicating them is correlated with revenue growth
  - Clarifying and scaling our best impact products (e.g., 2-1-1) is critical

- Customization and engagement are the keys to the new business model
  - Regardless of how compelling what you do is, you can’t talk to everyone in the same way and it can’t be a one-way conversation; Customization for and co-creation with donors

- Our new business model will require significant organizational change

**Bold Move We Must Make**
Shift from “One great product marketed the same way to everyone” to “The right product to the right donor at the right time in the right way”

**Key UWW/Collective Actions**

A. Develop a refreshed Business Model with clear content (proven impact products, RD insights, etc.) and support LUW execution via consulting/toolkits and LUW performance scorecards

B. Improve LUW/UWW performance by advancing culture, organizational design, talent and diversity practices and initiatives

**Key LUW Actions**

A. Clarify your LUW business model including integrating Impact, RD, and Marketing to deliver “The right impact product to the right person in the right way”

B. Focus on high-performance in your LUW by drawing on UWW resources to improve Talent/Diversity/Board and setting multi-year performance goals on impact, operations and revenue
Bold Play 2: Create Great Individual Experiences

Challenge We Face
Donor loss (slow growth outside US); Rise of digital engagement platforms

Key Insights/Drivers
• Currently, our relationships with donors are limited; Often blocked by companies/processors
• Our differentiators for being a leader in personalized individual engagement include:
  1. Comprehensive, compelling impact agenda with year-round engagement opportunities
  2. Digital PLUS local, on-the-ground experience
  3. Lifetime engagement – All ages/types of people working together (co-creation and connecting)
  4. Ability to leverage 135,000 workplace relationships to access individuals and drive engagement
• Need to improve our efforts locally but can only solve at scale collectively (quality/cost)
• Need to drive greater awareness with stronger air-game (tv/digital/media coverage)

Bold Move We Must Make
Engage people (especially workplace employees) in ways they love in our new digital world: personal, online and in-person, year-round, and over a lifetime

Key UWW/Collective Actions
A. Engage workplace employees at scale through Shared Digital Services and by accelerating promising Individual Experience (IE) practices
B. Create more air-cover and expand reach via innovative initiatives/alliances (Hero Effect, NFL, Do Something, Salesforce, etc.)

Key LUW Actions
A. Implement LUW best practices from the 2016 Individual Experience Report (text “innovation” to 51555 or visit http://bit.ly/iereport2016) and engage in network IE efforts such as Shared Digital Services, LINC, etc.
B. Focus on access to individual donors (data) in highest growth potential workplace campaigns
Bold Play 3: Reignite Strategic Corporate Partnerships

**Challenge We Face**
Changing expectations for business affecting United Way value proposition

**Bold Move We Must Make**
Re-establish United Way as the Partner-of-Choice for companies by delivering unparalleled employee engagement, community impact, and business value via strategic agreements and network-wide account management

**Key Insights/Drivers**

- Most companies have agreements with their top nonprofit partners that articulate expected ROI
  - The agreement is an important forcing mechanism for managing a relationship and may be as simple as a one page list of social impact and business value priorities; The goal is to move up a continuum where the relationship is deepened and focused on clear priorities
  - Consider innovative/non-traditional components aligned with company priorities and aspirations

- Need to deliver a higher quality, more consistent global experience for top companies
  - Keys are demonstrating employee engagement, aggregated impact, and business value

- Must solve for 3rd party processors who block us from individual employee data

**Key UWW/Collective Actions**

| A. | Pursue Network-Wide Corporate Relations capability to manage strategic relationships; Incorporate 3rd party processor strategy to get closer to our companies and their people |
| B. | Execute a marketing initiative that recognizes top corporate partners, connects to their marketing, drives C-Suite engagement, and communicates UW’s relevance |

**Key LUW Actions**

| A. | Develop and execute strategic agreements with your top local companies that articulate clear social impact and business value goals (with a focus on employee engagement) as well as set regular meeting/reporting standards |
| B. | Inform/Execute network-wide corporate agreements including supporting cross-market corporate recognition efforts |
Bold Play 4: Drive Transformational Giving

**Challenge We Face**
Slower growth of High Net Worth Individual giving to United Way in recent years

**Bold Move We Must Make**
Build a network of high-net-worth ambassadors, including a $10 Million Giving Society, who accelerate our impact and innovation worldwide

**Key Insights/Drivers**

- Transformational gifts are driving growth in philanthropy
  - Our work in communities is transformational and is deserving of transformational gifts
  - United Way growth in this area has slowed in recent years

- Many LUWs are hesitant to pursue high net worth donors either because they don’t have the mindset or the capacity to ask for a transformational gift
  - Need to shift from solely annual targets to lifetime donor value and longer-term engagement
  - Volunteer engagement and peer-to-peer asks are highly effective practices

- Integration and elevation of asset-based giving strategies are a vital component to optimize revenue growth today and in the future

**Key UWW/Collective Actions**

| A. | Attract transformational gifts through the creation of a $10M giving society |
| B. | Grow Tocqueville giving by building LUW capacity and competencies |

**Key LUW Actions**

| A. | Seek transformational gifts at $10M level or “add a zero” to your current top level |
| B. | Build local capacity and competencies to secure large gifts including recruiting/managing a Tocqueville Cabinet and developing written plans to retain and grow multi-year giving |
**Bold Play 5: Work Together As One Network**

**Challenge We Face**
Competitive pressures require us to work “as one” more often

**Bold Move We Must Make**
Harness the power of scale to raise our operational performance and speak as one brand with one voice

**Key Insights/Drivers**
- We are a $5B network and need to operate like one when quality/cost make it beneficial
- Corporate partners and the general public see one United Way, not many United Ways, and their experiences should match that perception
- Critical to communicate key Brand messages consistently across network
  - Brand awareness/understanding at record low fueled by inconsistent messaging across network

**Key UWW/Collective Actions**

| A. | Shift to working “as one” across markets including facilitating the Strategy Leadership Council and Network Operating Groups |
| B. | Develop and help deliver consistent, compelling Brand messages across markets |

**Key LUW Actions**

| A. | Contribute your expertise and insights to the network and align your LUW strategy/efforts; Participate in network operating groups as appropriate |
| B. | Communicate your LUWs unique position in the market in alignment with overall Brand messages including reporting on impact goals |
Appendix: Summary of Actions
Summary: Quick Start 2016 LUW Actions

✓ Commit to align your local Strategy to the Network-Wide Strategy by completing this short form: http://bit.ly/allintogther

✓ Bold Play 1: Talk to your donors in the workplace to determine their interests (by segment) and map back to your impact products/causes


✓ Bold Play 3: Create 2-3 local corporate agreements in 2016

✓ Bold Play 4: Identify 10 potential $1m - $10m donors in your market

✓ Bold Play 5: Complete the United Way Business Model Guided Toolbox and determine specific needs that will drive your interactions with UWW and the broader UW network
### Summary: 10 Strategic Actions Every LUW Should Consider*

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*Tools and Resources available for all areas above at online.unitedway.org/strategy
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